



DEPARTMENT OF THE ARMY
HEADQUARTERS, UNITED STATES ARMY TRAINING AND DOCTRINE COMMAND
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FORT MONROE, VIRGINIA 23651-1047

REPLY TO
ATTENTION OF

ATBO-C

4 January 2008

MEMORANDUM FOR

Director, Army Capabilities Integration Center (ARCIC)
Deputy Chiefs of General and Chiefs of Special Staff Offices,
HQ TRADOC

SUBJECT: Compensation Policy for HQ TRADOC, ARCIC, and Field
Operating Agencies (FOAs) Serviced by the Fort Monroe Civilian
Personnel Advisory Center (CPAC)

1. References:

a. Public Law 108-136, National Defense Authorization Act,
24 Nov 03.

b. Title 5, Code of Federal Regulations, Chapter XCIX, Part
9901, Department of Defense Human Resources Management and Labor
Relations Systems.

c. Department of Defense (DoD) 1400.25-M, Civilian
Personnel Manual, subchapter 1930, Compensation Architecture Pay
Policy.

d. DoD Managers' Interim Guidance for Establishing Pay for
Employees in NSPS, May 06.

e. Managing Compensation under NSPS -- A Guide for Managers
and Supervisors, Mar 07.

f. Memorandum, HQDA, SAMR-ZA, 6 Sep 07, subject:
Delegation of Authority for National Security Personnel System
and Issuance of Department of the Army National Security
Personnel System Interim Guidance.

g. Memorandum, HQ TRADOC, ATBO-C, 17 Dec 07, subject:
Delegation of National Security Personnel System (NSPS)
Authorities, 17 Dec 07.

h. Interim Department of Army NSPS Policy, 31 Aug 07.

i. Interim Department of Army NSPS Instruction, 31 Aug 07.

j. U.S. Department of Army NSPS Pay Setting Guide,
29 Aug 07.

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2. Purpose. To establish policy, procedures, and delegations of authority for making discretionary compensation decisions when allowable by law, regulations, and available funds for U.S. citizen appropriated fund employees covered by the NSPS.

3. Applicability. This policy guidance applies to appropriated fund civilian employees covered by the NSPS and employed in HQ TRADOC, ARCIC, and FOAs the Fort Monroe CPAC services.

4. Policy.

a. This policy provides the NSPS compensation and pay setting procedures for HQ TRADOC, ARCIC, and FOAs serviced by the Fort Monroe CPAC. This guidance applies to all pay setting determinations and is intended to be used in concert with the references above.

b. The broad range of NSPS pay bands provides substantial pay-setting flexibilities. Due to the potential for increased long-term salary costs, authorized management officials and higher-level management officials must exercise fiscal control and pay management oversight.

5. Explanation of Terms.

a. Activity Director: The head of ARCIC or Deputy.

b. Authorized Management Official (AMO): The individual with delegated authority to recommend or approve a specific type of NSPS personnel/pay action. The AMO designation may vary in an activity, based on the type/level of pay action.

c. Deputy Chief of Staff (DCS): The head or deputy of a general staff office that reports directly to the Commanding General, HQ TRADOC. For purposes covered in this policy, the Assistant Chief of Staff is equivalent to a DCS for the Command Group and Special Staff Offices other than those under the administrative control of the DCS, G-1/4.

d. Director: A subordinate supervisor who reports directly to the DCS/ADCS or Activity Director/Deputy Director.

e. Higher-Level Management Official (HLMO): An individual who is at least one level higher than the supervisor making the initial pay recommendation. The HLMO designation may also vary based on the type/level of pay action.

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f. Involuntary reassignment: A reassignment initiated by management to a comparable pay band, using adverse action procedures (as a result of poor performance and/or misconduct).

g. Management-directed reassignment: A reassignment to another position within the employee's pay band or to a position in a comparable band, initiated or directed by management.

h. New Hire: Individuals who are newly appointed or reappointed to the Federal Service.

i. Promotion: The movement of an employee to a higher pay band, either within or across varying pay schedules and career groups, regardless of the specific earning potential of the band, on either a temporary or permanent basis.

j. Reassignment: The voluntary or involuntary movement of an employee to a different position or set of duties within their pay band or to a position in a comparable pay band, on either a temporary or a permanent basis.

k. Reduction in Band: Occurs when an employee moves either voluntarily or involuntarily to a position in a lower pay band. Functions outlined in reference 1c, subchapter 1920, appendix 5.

l. Salary/Pay: Base salary/pay as established in the DoD NSPS Worldwide Pay Tables.

m. Voluntary/employee-initiated reassignment: A reassignment, at the employee's request, to another position within his/her pay band or to a position in a comparable pay band. Selection through merit promotion procedures is considered at the employee's request.

6. General Roles and Responsibilities. Approval authority for discretionary pay setting and compensation determinations is delegated from Department of the Army (DA) to Army Commands by reference 1f and further delegated to the Deputy Commanding General/Chief of Staff (DCG/CofS) by reference 1g. This document delegates such authority as it relates to HQ TRADOC, ARCIC, and FOA employees serviced by the Fort Monroe CPAC and covered by the NSPS, for use in accordance with the following provisions:

a. The Activity Director and each HQ TRADOC DCS will ensure these policies are applied equitably and may further delegate

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approval authority to the lowest practical level consistent with this guidance. As a minimum, each authority identified in the attached delegation matrix (Encl 1) will be specifically addressed. Delegations will be in writing and will specifically identify the delegated authority by position rather than by personal identity (for example, the immediate supervisor rather than Mr. Smith). It should be noted that the positions designated as the AMO and HLMO could vary based on the type or level of pay action being addressed.

b. AMOs and HLMOs will ensure that pay setting decisions are consistent, fiscally sound, and based on financial considerations, local labor markets, current salaries of employees, and needed skills. In determining the appropriate salary, recommending and approving officials will:

- (1) Consider local conditions that affect the recruitment and retention of qualified employees, to include availability of candidates.

- (2) Collect background information that is necessary to make the pay decision (for example, current salary, breadth of skills, experience and qualifications, education, current pay level, other job offers).

- (3) Consider the availability of funds to employ personnel to carry out assigned functions, and as necessary, coordinate with the appropriate financial office.

- (4) Consider the effect a particular pay action may have on other employees in the organization.

- (5) Obtain any necessary reviews and approvals.

c. The servicing CPAC may provide assistance on compensation determinations and managers are encouraged to seek their assistance. However, responsibility and accountability for these determinations rests with the approving official and the management chain of command.

7. Approval Procedures.

a. To ensure an adequate audit trail, all pay setting decisions must be documented using a salary determination worksheet. Organizations may use either the DoD or DA NSPS Salary Determination Worksheet. The AMO must retain a copy of

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the worksheet. Appropriate documentation will be submitted to the CPAC in accordance with the Civilian Human Resources Agency established procedures.

b. The authority to administer pay is the responsibility of the AMO with delegated authority to approve or recommend pay determinations. In situations requiring approval by the HLMO, that individual will be at least one supervisory level higher than the AMO making the initial pay recommendation.

c. Authority to approve exceptions to policy described in this guidance rests with HQ TRADOC, DCG/CofS. Requests for exceptions should be forwarded by the Activity Director or DCS to the CPAC, Fort Monroe, VA 23651.

d. The management officials delegated authority to set pay may make pay setting decisions not covered in this guidance.

8. Pay Setting.

a. When establishing the salary range to be advertised in a vacancy announcement, activities may indicate either the full salary range of the pay band of the position or a limited range within the pay band. If using a narrow salary range, the activity is limited to this range when setting pay, regardless of the qualifications of the selectee. The DCS or delegated individual (no lower than a Director) must approve the advertised pay range to ensure the range is fiscally sound, consistent with organization priorities and needs, considers the market conditions for recruitment of the required skills, and reflects the level of work to be performed.

b. A selecting official may determine and recommend a pay action, but only the AMO and/or the HLMO may approve a specific pay rate. The proper rate of pay is determined in accordance with the personnel action being taken.

c. In establishing the pay for an employee, the salary offered should be the minimum level necessary to gain acceptance of the job offer from the selected candidate in accordance with limitations in this guidance.

d. In accordance with reference 1d, individuals who are newly appointed or reappointed to the Federal service will have their pay set based upon the former general schedule (GS)-grade equivalent of the position being filled. Before setting pay,

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the manager must determine former GS-grade equivalent of position to be filled and determine the base salary of step 1 of former GS-grade equivalent position using the GS Base Salary table. The minimum rate of the pay/salary offer would be the minimum rate of the appropriate pay band. Salary may not exceed step 1 of the former GS-grade equivalent plus 30 percent (not to exceed the maximum rate of the pay band).

(1) Supervisors may set the salary up to step 1 of the former GS-grade equivalent.

(2) The DCS and the Activity Director may set the salary from the beginning salary in band up to 20 percent above step 1 of the former GS equivalent, as necessary, to be competitive in the applicable market. Up to 12 percent can be delegated no lower than the Director level.

(3) Setting pay above 20 percent will be on an exception basis and must have DCG/CofS approval.

e. A reassignment (including temporary reassignment) occurs when an employee moves, voluntarily or involuntarily, to a different position within the same pay band or to a position in a comparable pay band on a temporary or permanent basis. If a reassignment is to the same or comparable level of work, normally no salary increase will be given. However, an increase might be appropriate when the position is considered critical to the mission of the organization, when the position is considered hard to fill based on previous recruitment efforts, or when the position is perceived undesirable due to working conditions. Upon expiration or termination of a temporary reassignment, the employee's salary shall be set at the same rate the employee received prior to the temporary reassignment, with appropriate adjustments for pay increases (rate range increases, performance payout, etc.) that occurred during the time the employee was assigned to the new position, as applicable. Types of reassignment actions include:

(1) Employee-Initiated Reassignment (Voluntary). Generally, the AMO may increase, decrease, or leave unchanged the employee's salary in accordance with reference 1c, subchapter 1930, paragraph 1930.10.4.1. At a minimum, the AMO may be no lower than one supervisory level above the official who approved the reassignment. Management may only provide an employee up to a 5 percent cumulative increase to base salary as the result of a voluntary reassignment within a 12-month period,

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unless an exception is approved. Approval for up to a 5-percent cumulative increase is delegated to the DCS and Activity Director, with authority to further delegate no lower than the Director. Authority to approve exceptions to the 5 percent cumulative increase to base salary in a 12-month period as the result of a voluntary reassignment rests with the DCS or Activity Director. There are no exceptions to the maximum 5 percent increase to base salary for one reassignment.

(2) Management-Directed Reassignment. When management reassigns an employee within his/her current pay band, the AMO shall set pay no less than the employee's current salary and may increase the employee's current base salary up to 5 percent. At the minimum, the approval level to adjust salary may be no lower than one supervisory level above the official who approved the reassignment. This increase is discretionary and must comply with reference 1c, subchapter 1930, paragraph SC1930.10.4.2. There is no limit to the number of times management may reassign an employee, and the employee is eligible for the 5 percent increase with each reassignment. Approval for up to a 5 percent increase is delegated to the DCS and Activity Director, with authority to further delegate no lower than the Director. The DCS or Activity Director must approve increases of more than 10 percent in a 12-month period.

(3) Involuntary Reassignment (Non-Reduction-In-Force (RIF)). When an employee is involuntarily reassigned to a position in the same pay band or a comparable pay and through adverse action procedures (as a result of poor performance and/or misconduct), the proposing official on an adverse action may recommend reducing the employee's base salary by up to 10 percent. The deciding official on the adverse action must approve the reduction. The reduction may not cause any employee's base salary to fall below the minimum rate of the employee's assigned pay band. An employee's base salary may not be reduced more than once in a 12-month period based on unacceptable performance, conduct, or both. Additionally, an employee's base salary may not increase as a result of this type of involuntary reassignment.

f. A promotion (including temporary promotion) occurs when an employee moves, on a temporary or permanent basis, to a position in a higher pay band within or across varying pay schedules and/or career groups. A minimum increase of 6 percent in base salary will be granted for all promotions unless 6 percent places an individual's salary above the top of the pay

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band. The selecting supervisor may approve an increase of 6 percent or an increase sufficient to place the selectee at the minimum of the new pay band. The DCS or Activity Director can approve an increase of more than 6 percent, up to 30 percent. Approval of increases of more than 6 percent, up to 20 percent, may be further delegated no lower than Director level. Upon expiration or termination of a temporary promotion, the employee's salary shall be set at the same rate the employee received prior to the temporary promotion, with appropriate adjustments for pay increases (rate range increases, performance payout, etc.) that occurred during the time the employee was assigned to the new position, as applicable.

g. A reduction in band occurs when an employee moves, voluntarily or involuntarily, to a position in a lower pay band. An AMO may increase, decrease, or maintain an employee's base salary on a voluntary or involuntary reduction in band, but must set the employee's pay within the assigned band.

(1) Voluntary. The DCS or Activity Director may approve a recommendation to increase base salary up to 5 percent upon placement in a lower pay band, if factors such as scarcity of candidates, reassignment from nonsupervisory to supervisory position, remote location, need for skills, hard-to-fill locations, and entering a training program are present. This authority can be delegated no lower than the Director. An employee may only receive up to 5 percent cumulative increase to base salary as the result of a reduction in band within a 12-month period, unless the DCS or Activity Director approves an exception. Salary may also be decreased in any amount agreed to by the employee as long as his or her salary does not drop below the minimum of the assigned pay band. The supervisor can approve a reduction in salary.

(2) Involuntary. The deciding official on an adverse action may reduce an employee's base salary by up to 10 percent when an employee is involuntarily moved to a lower pay band through adverse action procedures (as a result of poor performance and/or misconduct). This reduction may not cause an employee's base salary to fall below the minimum rate of the employee's new band or exceed 10 percent (unless a larger reduction is needed to place the employee at the maximum rate of the lower band). The employee's base salary may not be reduced below the minimum of the assigned pay band. A reduction may not occur more than once in a 12-month period based on unacceptable

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performance, conduct, or both. No increase in base salary may be granted under this section.

9. Additional Compensation Delegations.

a. Classification Authority. Authority to classify positions is delegated to ARCIC Activity Director and HQ TRADOC DCSs with authority to further delegate.

b. Pay Pool Composition. Pay pool composition proposals require endorsement of a TRADOC DCS or the Activity Director. Proposals will be submitted through the HQ TRADOC Executive Committee to the DCG/CofS for approval. DCG/CofS may delegate approval to a HQ staff element.

c. Pay Retention. Pay retention prevents a reduction in base salary that would otherwise occur by temporarily preserving an employee's former base salary when the rate exceeds the maximum rate of the new pay band. Subchapter 1930, paragraph SC1930.11 of reference 1c outlines instances where pay retention is required and will be applied. It is provided for a maximum of 2 years. The DCS or Activity Director may provide pay retention to an employee not entitled to pay retention under paragraph SC1930.11.1, but whose payable rate of basic pay otherwise would be reduced as a result of a management action. This authority applies to personnel actions initiated by management, not at the employee's request, and not for poor performance and/or misconduct. This authority is applied on a case-by-case basis. Records must be maintained to document the circumstances surrounding the action and reasons for granting pay retention. This authority may not be further delegated. Note: Selection through merit promotion procedures is considered at the employee's request.

10. Additional Compensation Considerations.

a. RIF. Employees reassigned or reduced in band through RIF procedures may not have their pay decreased and are not eligible for an increase to base salary, except to set their base salary at the minimum rate of the new pay band.

b. Movement from NSPS to other pay systems (GS, wage grade (WG), etc.). When an employee moves out of the NSPS pay system, pay is set using the appropriate pay setting directives for the gaining employer/organization.

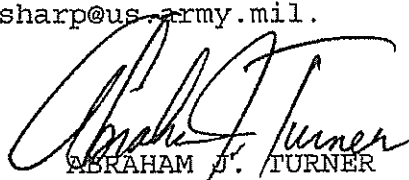
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c. Movement to NSPS from other pay systems (GS, WG, etc.) to include transfer of employees. When an employee moves to the NSPS system, including a transfer from an agency not covered by NSPS, pay is set using the appropriate policies of the gaining employer/organization. Management must determine whether the move is equivalent to a reassignment, promotion, or reduction in band in accordance with the definitions provided in reference 1c, subchapter 1950, appendix 1 and this policy and follow the applicable pay setting rules.

11. Point of contact is Ms. Ruth Sharp, Office of the DCS, G-1/4, extension 5236, ruth.sharp@us.army.mil.

Encl



ABRAHAM J. TURNER
Major General, U.S. Army
Acting Deputy Commanding General/
Chief of Staff

CF:

Security Assistance Training Field Activity
Training Operations Management Activity
Fort Monroe CPAC

DELEGATED AUTHORITY MATRIX

ACTION	AUTHORIZED OFFICIAL	AMOUNT	RESTRICTIONS/COMMENTS
Advertised Salary Range in Vacancy Announcement	DCS/ADCS or ARCIC Director/Deputy	Full salary for pay band or limited range within band	May further delegate no lower than Director level. Range must fall within band. If narrow range is used, limited to this range when setting pay. AMO/HLMO approves specific pay rate of selectee.
New Hires	Supervisor	Start of pay band up to GS equivalent step 1	
	DCS or ARCIC Director/Deputy	Within band up to 20% above step 1	May further delegate up to 12% no lower than Director level.
	DCG	Within band more than 20% above step 1	On an exception basis up to 30%.
Voluntary Reassignment	Supervisor	Set at employee's current salary	May recommend increase up to 5%.
	DCS/ADCS or ARCIC Director/Deputy	Salary increase up to 5%, NTE 5% cumulative increase in 12 months	-- May further delegate no lower than Director level. -- DCS/ADCS or ARCIC Director/Deputy must approve exceptions to 5% cumulative increase in 12 months.
Management-Directed Reassignment	Supervisor	Set at employee's current salary	May recommend increase up to 5%.
	DCS/ADCS or ARCIC Director/Deputy	Salary increase up to 5% and cumulative increases up to 10%	May further delegate up to 5% and up to 10% cumulative increases no lower than Director level. DCS/ADCS or ARCIC Director/Deputy approval is required for cumulative increases of more than 10% in 12 months.
Involuntary Reassignment (Adverse Action Procedure)	Proposing Official	Recommends reducing salary up to 10%	Recommends/proposes action.
	Deciding Official	Reductions up to 10%	Decides action. Limited to one reduction in 12 months.
Promotion (includes temporary promotions)	Selecting Supervisor	6% increase or minimum of pay band	Mandatory unless it will cause the salary to exceed the top of the pay band.
	DCS/ADCS or ARCIC Director/Deputy	More than 6%, up to 30%	May further delegate more than 6% to 20% no lower than Director level. DCS/ADCS or ARCIC Director/Deputy must approve 20% to 30% increase (only awarded in extraordinary circumstances).
Voluntary Reduction in Band	Supervisor	Set at employee's current salary	May recommend increase up to 5%.
	DCS/ADCS or ARCIC Director/Deputy	Salary increase up to 5%, not to exceed 5% cumulative increase in 12 months	-- May further delegate no lower than Director level. -- DCS/ADCS or ARCIC Director/Deputy must approve exceptions to 5% cumulative increase in 12 months.
Involuntary Reduction in Band (Adverse Action)	Proposing Official	Recommends reducing salary up to 10%	Recommends/proposes action.
	Deciding Official	Reductions up to 10%	Decides action. Limited to one reduction in 12 months. No increase in base salary may be granted.
Involuntary Reduction in Rate of Pay (Adverse Action)	Proposing Official	Recommends reducing salary up to 10%	Recommends/proposes action.
	Deciding Official	Reductions up to 10%	Decides action. Limited to one reduction in 12 months.

DELEGATED AUTHORITY MATRIX

ACTION	AUTHORIZED OFFICIAL	AMOUNT	RESTRICTIONS/COMMENTS
Classification Authority	DCS/ADCS or ARCIC Director/Deputy	N/A	Classification can be further delegated through chain of command.
Pay Pool Composition	DCG	N/A	Approval of pay pool structure and composition submitted through HQ TRADOC Executive Committee.
Pay Retention	DCS/ADCS or ARCIC Director/Deputy	N/A	May provide when employee is not entitled under DoD 1400.25-M, paragraph SC1930.11.1. May not further delegate.